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**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

**Component Unit of the
Avoyelles Parish Police Jury
Marksville, Louisiana**

Financial Statements

December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

7/26/06

DUCOTE & COMPANY
Certified Public Accountants
219 North Main Street
P. O. Box 309
Marksville, LA 71351

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT**

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Independent Auditors' Report

The Honorable William Bennett
The Honorable Mark Jeansonne
Twelfth Judicial District Court
Marksville, Louisiana

We have audited the accompanying basic financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of management of the District Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana, a component unit of the Avoyelles Parish Police Jury, as of December 31, 2005, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Honorable William Bennett
The Honorable Mark Jeansonne
Page 2
June 23, 2006

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2006, on our consideration of the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana has not presented Management's Discussion and Analysis that the Government Auditing Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Ducote & Company

Marksville, Louisiana
June 23, 2006

**BASIC
FINANCIAL STATEMENTS**

GOVERNMENT WIDE FINANCIAL STATEMENTS

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF NET ASSETS
December 31, 2005**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$60,078
Accounts receivable	12,184
Machinery and equipment (net of accum depr)	<u>9,350</u>
TOTAL ASSETS	<u>81,612</u>
 LIABILITIES	
Accounts payable	601
Accrued expenses	<u>4,053</u>
TOTAL LIABILITIES	<u>4,654</u>
 NET ASSETS	
Unrestricted	<u>76,958</u>
TOTAL NET ASSETS	<u><u>\$76,958</u></u>
 Total Governmental Fund Balance	 \$67,608
Amounts reported for governmental activities in the statement of net assets that are difference because:	
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds. The cost of the assets are \$53,407 and the accumulated depreciation is \$44,057.	 <u>9,350</u>
	<u><u>\$76,958</u></u>

The accompanying notes are an integral part of this financial statement.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005**

	<u>Expenses</u>	<u>Program Revenues Operating Revenues</u>	<u>Net (Expenses) Revenues</u>
FUNCTIONS/PROGRAMS			
<i><u>Governmental Activities</u></i>			
General Government			
Salaries	\$138,482	\$145,393	\$6,911
Payroll taxes and insurance	19,725	20,709	984
Contract labor	16,688	17,521	833
Education and travel	13,905	14,599	694
Professional fees	5,133	5,389	256
Depreciation	3,518	3,694	176
Other expenses	36,526	38,349	1,823
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$233,977</u></u>	<u><u>\$245,654</u></u>	11,677
General Revenues:			
Interest			1,158
Changes in net assets			12,835
Net assets - beginning of year			64,123
Net assets - end of year			<u><u>\$76,958</u></u>
Net change in fund balances - total governmental funds			\$12,662
Amount reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets are allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
	Capital outlay	3,691	
	Depreciation expense	<u>(3,518)</u>	173
Change in net assets of governmental activities.			<u><u>\$12,835</u></u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2005**

	Special Revenue Fund
ASSETS	
Cash	\$60,078
Accounts receivable	<u>12,184</u>
TOTAL ASSETS	<u>\$72,262</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$601
Accrued expenses	<u>4,053</u>
Total Liabilities	<u>4,654</u>
Fund Balances:	
Unreserved, undesignated	<u>67,608</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$72,262</u>

The accompanying notes are an integral part of this financial statement.

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND
Year Ended December 31, 2005**

	Special	Revenue	Fund
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Special assessment fees	\$245,000	\$245,589	\$589
Interest	0	1,158	1,158
Other revenues	0	65	65
TOTAL REVENUES	<u>245,000</u>	<u>246,812</u>	<u>1,812</u>
EXPENDITURES			
General Government			
Salaries	169,200	138,482	30,718
Payroll taxes and insurance	22,450	19,725	2,725
Contract labor	5,000	16,688	(11,688)
Education and travel	10,000	13,905	(3,905)
Capital outlay	3,000	3,691	(691)
Professional fees	5,000	5,133	(133)
Other expenses	30,000	36,526	(6,526)
TOTAL EXPENDITURES	<u>244,650</u>	<u>234,150</u>	<u>10,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$350</u>	12,662	<u>\$12,312</u>
FUND BALANCE, BEGINNING OF YEAR		<u>54,946</u>	
FUND BALANCE, END OF YEAR		<u>\$67,608</u>	

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Judicial Expense Fund of the Twelfth Judicial District Court was created by Louisiana R.S. 13:996.33. The accounting and reporting policies of the Judicial Expense Fund for the Twelfth Judicial District Court conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to requirements of Louisiana Revised Statutes 24:517.

The following is a summary of the more significant policies:

FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining component units of an oversight entity. The basic - but not the only - criterion for determining a component unit is the oversight's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but is not limited to,: 1) selection of governing authority; 2) the designation of management; and 3) the ability to significantly influence operations and accountability for fiscal matters.

The Judicial Expense Fund is a part of the operations of the district court system. The district court system is fiscally dependent on the police jury for office space and courtrooms. The substance of the relationship between the district court system and the police jury is that the police jury has approval authority over its capital budget.

Based on the above criteria it has been determined that the Judicial Expense Fund of the Twelfth Judicial District Court of Louisiana is a component unit of the Avoyelles Parish Police Jury.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT WIDE FUND FINANCIAL STATEMENTS

The government wide fund financial statements report the information on all of the non-fiduciary activities of the Judicial Expense Fund of the Twelfth Judicial District Court. Governmental activities are normally supported by taxes and assessments which are reported separately from the business-type activities, which relay to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues includes fines and assessments charge for various violations.

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

FUND ACCOUNTING:

The accounts of the Court are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued) December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND

Governmental funds account for all or most of the Judicial Expense Fund of the Twelfth Judicial District Court's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

BUDGETARY PRACTICES

In accordance with Louisiana Revised Statute 39:1301 through 39:1314, the Judicial Expense Fund of the Twelfth Judicial District Court is required to adopt an annual budget, but is not subject to the public participation laws as the proposed expenditures are less than \$250,000. All annual appropriations lapse at year end. Encumbrance accounting is not utilized.

CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the Judicial Expense Fund of the Twelfth Judicial District Court may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued) December 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5-7 years
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ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH

At December 31, 2005, the Judicial Expense Fund for the Twelfth Judicial District Court has cash and cash equivalents (book balances) totaling \$60,078. *Custodial Credit Risk*: is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At December 31, 2005, the Judicial Expense Fund for the Twelfth Judicial District Court has \$60,078 in deposits (collected bank balances), \$68,032 was covered by federal depository insurance (GASB Category 1), exposed to credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$68,032
Collateralized:	
Collateral held by pledging bank's trust	
department not in the agency's name	0
Uninsured and uncollateralized	0
Total Deposits	<u>\$68,032</u>

JUDICIAL EXPENSE FUND FOR THE TWELFTH JUDICIAL DISTRICT COURT

NOTES TO FINANCIAL STATEMENTS (continued) December 31, 2005

NOTE 3 – CAPITAL ASSETS

The following is a summary of changes in the capital assets and depreciation activity for the year ended December 31, 2005:

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/05</u>
Machinery and Equipment	\$ 49,716	\$ 3,691	\$ -	\$53,407
Total Capital Assets	49,716	<u>3,691</u>	<u>-</u>	53,407
Accumulated Depreciation	<u>(40,539)</u>	<u>\$(3,518)</u>	<u>\$ -</u>	<u>44,057</u>
Net Capital Assets	<u>\$ 9,177</u>			<u>\$ 9,350</u>

NOTE 4 – RECEIVABLES

The receivables of \$12,184 as of December 31, 2005, are as follows:

Intergovernmental:	
Local fees	<u>\$12,184</u>
	<u>\$12,184</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLES

The payables of \$4,654 at December 31, 2005, are as follows:

Accounts payable	\$ 601
Withholdings	<u>4,053</u>
	<u>\$ 4,654</u>

SUPPLEMENTARY INFORMATION

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable William Bennett
The Honorable Mark Jeansonne
Twelfth Judicial District Court
Marksville, Louisiana

We have audited the general purpose financial statements of the Judicial Expense Fund of the Twelfth Judicial District Court, for the year ended December 31, 2005, and have issued our report thereon dated June 23, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Twelfth Judicial District's Court's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Bennett
Honorable Jeansonne
Page 2
June 23, 2006

Compliance and other matters

As part of obtaining reasonable assurance about whether the Judicial Expense Fund of the Twelfth Judicial District Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the management of the governing body and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Ducote & Company

Marksville, Louisiana
June 23, 2006

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2005**

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Management Letter

None

**JUDICIAL EXPENSE FUND FOR THE
TWELFTH JUDICIAL DISTRICT COURT
CORRECTIVE ACTION PLAN FOR
CURRENT YEAR FINDINGS
Year Ended December 31, 2005**

Section I – Internal Control and Compliance Material to the Financial Statements

None

Section II – Management Letter

None